

Collections

BLM COLLECTIONS, 2003 - 2006 (\$000)

Collection Source	2003 Actual	2004 Actual	2005 Estimated	2006 Estimated
Sale of Public Lands	292,518	570,374	1,232,501	907,719
Miscellaneous Filing Fees	708	186	100	100
Mineral Leasing National Grasslands	2,124	1,988	2,013	2,013
Grazing Fees & Land Utilization Project Lands	11,828	11,840	12,180	12,180
Timber Sales & Vegetative Material	13,488	23,860	33,020	55,380
Recreational Use Fees	10,287	13,250	14,000	14,000
Mineral Leasing Naval Oil Shale Reserve	1,954	8,603	15,300	21,700
National Petroleum Reserve Alaska	72,303	5,349	62,000	41,000
Earnings on Investments	2,339	4,614	18,207	34,923
Sale of Helium	87,400	96,545	75,000	156,800
Mining Claim & Holding Fees	27,476	17,843	31,259	33,000
Service Charges, Deposits and Forfeitures	15,882	16,499	20,055	32,940
Other Collections	30,518	36,101	34,013	36,639
Total	570,825	807,052	1,549,648	1,348,394

2006 COLLECTIONS

In 2006, the BLM will collect an estimated total of \$1,348,394,000 in revenue. Revenue is collected by BLM from sources such as the sale of land and materials, grazing fees, timber sales, recreation use fees, and various filing fees. These collections assist State and local governments, support the General Fund of the U.S. Treasury, and offset charges for program operations where certain fees collected can be retained by the BLM.

In addition, in 2006 BLM's onshore mineral leasing activities will contribute directly to the generation of \$3.6 billion in receipts (bonuses, rents, and royalties collected by the Minerals Management Service). (These mineral leasing receipts are reflected in the MMS budget.)

Most collections accounted for in BLM's budget are expected to remain fairly flat over the next several years, experiencing only modest increases annually. Others, such as receipts from

the sale of public lands; recovery of costs of processing applications for mineral leasing rights-of-way and processing documents related to energy and minerals; earnings on investments; and timber sales, are expected to increase significantly.

The large increase from 2004 to 2005 in land sales collections is due to a projected increase of \$665,019,000 from the sale of land under the *Southern Nevada Public Land Management Act of 1998*, and a decrease of \$5,342,000 from the sale of land under the *Federal Land Transaction Facilitation Act*. Revenue from SNPLMA sales is expected to decline from 2005 to 2006 by \$313,382,000 due to fewer acres offered in planned sales.

Earnings on investments are projected to be \$34,923,000 in 2006, an increase of \$30,308,000 from 2004 to 2006, because collections from land sale receipts, which BLM is authorized to invest, are expected to increase substantially.

Collections from the recovery of costs for processing rights-of-way on mineral leasing and land applications are projected to increase by \$14,834,000 from 2004 to 2006.

Collections from increased timber harvest levels in western Oregon are expected to increase by \$27,055,000 from 2004 to 2006, contingent on the resolution of existing litigation.

Amounts Not Included – Payments to western Oregon counties under the *Secure Rural Schools and Community Self-Determination Act of 2000*, include receipts produced in those counties, but most of the payments are derived from an appropriation from the General Fund. A total of \$105,635,088 appropriated from the General Fund in 2004 was paid to the western Oregon counties under this authority. Because the portion of that payment that comes from the General Fund is not a collection, those amounts are not included in the table above. A similar General Fund appropriation of \$101,270,658 for the 2005 Secure Rural Schools payment is not included in 2005 estimated collections. Estimated collections for 2006 do not include an estimated General Fund appropriation of \$96,623,489 for the payment that year.

Sales of Public Land - This category of collections includes receipts from the sale of public land, including land sales in Clark County, Nevada. Excluded from this collection source are the sales of timber and vegetative materials from the public domain land, sale of land and timber and vegetative materials from the Oregon & California Grant Lands and Coos Bay Wagon Road Lands, sale of land from Land Utilization project lands, sale of land and materials from reclaimed lands (reserved or withdrawn), and sale of town sites and reclamation projects.

The main source of collections in the Sale of Public Land category includes:

- **Southern Nevada Public Land Management Act Sales Proceeds** - The *Southern Nevada Public Land Management Act*, as amended, provides a process for orderly sale of certain public lands in Clark County, Nevada, near the city of Las Vegas. Approximately 50,000 acres of public land are within the disposal boundary area. Receipts generated by land sales under this statute are much larger than anticipated in earlier budget estimates. The BLM has conducted land sales for three years under the authority of this statute. The BLM estimates that collections will be \$882,169,000 in 2006. This includes collections from land sales held in 2006 and partial payments for sales held in 2005. The estimate for 2005 is \$1,195,551,000.

Currently, five percent of the proceeds are distributed to the State of Nevada, 10 percent to the Southern Nevada Water Authority, and 85 percent to the special account.

The 2006 Budget includes a legislative proposal that would reduce from 85 to 15 percent the portion of the revenue generated by these sales that would be available for expenditure by Federal agencies without annual appropriation by Congress and the President. For more information on the proposal please go to the Permanent Operating Funds Chapter.

- ***Southern Nevada Public Land Management Act – Interest.*** The SNPLMA authorizes the Secretary to manage the collections account for the purposes set out above, and is also authorized to use interest generated from the above-mentioned funds.
- ***Federal Land Transaction Facilitation Act*** - The *Federal Land Transaction Facilitation Act*, Title II of P.L. 106-248, also allows a limited number of sales of Federal land, with 2005 and 2006 receipts projected to be \$10,550,000 in both years.
- ***Lincoln County Land Sales*** – Several sales were made in 2002, but legal action delayed the completion of the sales through 2004. Those legal obstacles have been resolved, and estimates in the 2006 Budget were \$12,300,000 for 2005 and \$900,000 in 2006. A sale held on February 9, 2005 (after estimates for the budget were locked) collected \$47,525,000, \$35,225,000 more than the estimate for 2005.

Miscellaneous Filing Fees - Collections in this category are primarily from filing fees for applications to non-competitively lease oil and gas. Parcels offered but not leased in competitive sales are available for non-competitive leasing. Also included are fees received for filing or recording documents; charges for registration of individuals, firms, or products; and requests for approval of transfer of leases or permits.

Mineral Leasing-National Grasslands - The MMS assumed responsibility for collection and distribution of most mineral leasing receipts in 1985, however, the BLM administers and collects rentals from oil and gas pipeline rights-of-way associated with lands leased under the *Mineral Leasing Act* and the *Mineral Leasing Act for Acquired Lands*. The BLM pays 25 percent of mineral leasing collections on acquired lands to counties where the collections were generated. The BLM continues to collect first-year rentals and initial bonuses from mineral leasing but deposits these receipts directly into MMS accounts.

Grazing Fees from Public Lands and Land Utilization Project Lands - This category includes all grazing fees collected from public lands and Land Utilization Project lands administered by the BLM. It also includes certain receipts from Land Utilization Project lands, such as from mineral leasing. Grazing fees are collected under the authority of the *Taylor Grazing Act*, *Federal Land Policy and Management Act*, and the *Public Rangelands Improvement Act of 1978*.

From 1978 through 1985, public land grazing fees were based on a formula established in *PRIA*. The statutory authority for this formula expired on December 31, 1985. On February 14, 1986, the President issued Executive Order 12548 directing the continued use of the *PRIA* formula to set grazing fees for the public lands.

The grazing fee is updated annually based on index factors, including private land lease rates, beef cattle prices, and the cost of production. Based on the *PRIA* formula, the fee was \$1.35

per Animal Unit Month for the 2003 and \$1.43 for the 2004 grazing year. The fee for the 2005 grazing year is \$1.79 per Animal Unit Month. The fee for 2005 was set after estimates for the budget were completed. Grazing fees generally are collected within 30 days of the billing date, which follows publication of the new fee.

Grazing regulations authorize a surcharge to grazing fee bills for authorized grazing of livestock owned by persons other than the permittee or lessee, except where this use is made by livestock owned by children of permittees and lessees. This surcharge is equal to 35 percent of the difference between the 1999 grazing fee and the 1998 private land lease rate for the State where the pasturing agreement occurs. Anticipated grazing receipts reflect estimates of collections based on these fee rates.

Fifty percent of all grazing receipts collected under the *Taylor Grazing Act*, along with 50 percent of all receipts (including mineral receipts) from Land Utilization Project Lands transferred to the BLM by Executive Orders 10787 and 10890, under current law are appropriated to the Range Improvement appropriation. As provided in the *Taylor Grazing Act*, *FLPMA*, and *PRIA*, these funds are available for the construction, purchase, and development of range improvements after they are appropriated by Congress. Appropriations are made from the receipts collected during the previous fiscal year.

Timber and Vegetative Material Sales -

- ***Timber Receipts from the Oregon and California and Coos Bay Wagon Road Grant Lands*** - In 2006, the BLM projects it will collect \$49,846,000 in timber receipts from O&C and CBWR lands. This projection is based on historical data, anticipated changes in timber demand, and local timber market conditions. Of this amount, the BLM projects that \$11,252,800 will be collected from salvage timber sales, and the balance collected from non-salvage timber sales. Court injunctions resulting from litigation reduced timber sales for 2002 to 2004. Consequently, the BLM collected less than average timber receipts in 2004 (\$22,791,000). Receipts are projected to increase by 119 percent from 2004 to 2006, due to the fact that the BLM intends to offer 193 million board feet for sale in 2006 from O&C and CBWR grant lands, assuming that litigation is resolved. Of the \$28,374,000 in collections projected for 2005, \$4,254,000 is expected to be deposited into the Timber Sale Pipeline Restoration Fund and \$6,271,200 into the Forest Ecosystem Health and Recovery Fund (see discussion below). The rest will be used to make payments to western Oregon counties under the authority of the *Secure Rural Schools and Community Self-Determination Act of 2000*.

For 2004, 6 percent of the annual payment to the eighteen O&C counties made under the *Secure Rural Schools and Community Self-Determination Act of 2000* was derived from receipts. The remainder of the payments was derived from the General Fund of the Treasury. The receipt portion comes from any revenues, fees, penalties, or miscellaneous receipts, exclusive of deposits to any relevant trust fund. Examples of a trust fund are the Timber Sale Pipeline Restoration and Forest Ecosystem Health and Recovery Funds, which are discussed below. Any shortfall in the amount needed to make the payments is derived from the General Fund of the Treasury. For more information on the Secure Rural Schools payments, see the Miscellaneous Permanent Payments chapter.

- ***Timber Receipts from the Public Domain Forest Lands*** - In 2006, the BLM expects to offer for sale 36 million board feet of timber products from public domain lands. In 2006, the BLM estimates collections of \$3,534,000 in timber sale receipts from public domain

lands, \$1,528,000 more than collections in 2004. Collections from salvage timber sales on public domain lands are estimated at \$2,200,000 in both 2005 and 2006, compared to the \$1,155,000 collected in 2004. Ninety-six percent of salvage timber receipts will be deposited into the Forest Ecosystem Health and Recovery Fund, with the remaining four percent being returned to the States in which the sales took place.

- **Timber Sale Pipeline Restoration Fund** - This Fund was established to address, in part, the need for a consistent supply of prepared and available timber, a "timber sale pipeline," in western Oregon. Receipts from the release of timber sales by *Section 2001(k), P.L. 104-134* provided the start-up funding; all receipts from subsequent sales prepared by this Fund are deposited back into the Fund for preparing future sales. In 2006, \$6,566,000 from associated timber sales in western Oregon is expected to be deposited into this Fund.
- **Forest Ecosystem Health and Recovery Fund** - Forest health projects, including salvage timber sales, are prepared using the FEHRF, which was established in 1993 and amended in 1998 to fund forest health projects, including salvage timber sales, reforestation, and thinning of trees to improve stand density. All receipts, minus State shares, from projects prepared using these funds, as well as those from BLM salvage timber sales, are deposited into this Fund for future forest health projects. (Refer to the Permanent Operating Funds section for additional details on the FEHRF). In 2004, BLM collected \$5,517,000 from salvage timber sales from public domain and O&C and Coos Bay grant lands, which was deposited into the FEHRF. In 2005 and 2006, the BLM projects \$8,471,000 and \$13,453,000, respectively will be generated by the sale of salvage timber and other forest products.

Recreation Use Fees - Recreation use fees are derived from collecting fees on public lands at recreation sites, issuing recreation use permits, and selling Federal recreation passports such as the Golden Eagle and Golden Age passes. These funds are used to improve recreation facility conditions and user services at recreation sites where the fees were generated. In 2004, recreation fee collections were \$13,250,000. The BLM anticipates collecting \$14,000,000 in 2005 and 2006 under its recreation fee collection authorities.

- The *Federal Lands Recreation Enhancement Act (FLREA) of 2004*, Title VIII of the *Consolidated Appropriations Act, 2005*, Public Law 108-447, December 8, 2004, provided a comprehensive restatement of Federal authority, including BLM's, to collect and spend recreation use fees. This statute replaced prior authorities enacted in the Land and Water Conservation Act, the Omnibus Budget Reconciliation Act of 1993, and the Recreational Fee Demonstration Program authority enacted in annual appropriation acts since 1996. Fees collected in 2004 were collected under the Recreational Fee Demonstration Program. During fiscal 1995, BLM will transition to the authorities and arrangements enacted in the FLREA.

Mineral Leasing Naval Oil Shale Reserve - These receipts include revenue derived from the bonuses, rents, and royalties from mineral leasing under the Mineral Leasing Act of 1920 that were collected from the developed lands within the Naval Oil Shale Reserve Numbers 1 and 3 in Colorado since the enactment of the 1998 National Defense Authorization Act, amended in December, 2002. NOSR areas 1 and 3 were transferred to the BLM management by the 1998 National Defense Authorization Act of 1998. Amendments to the National Defense Authorization Act of 1998 appropriated \$1,500,000 in 2003 to perform studies to determine the best way and to estimate the cost to cleanup Naval Oil Shale Reserve Number 3. The act

also makes these receipts available for environmental restoration of the NOSR 3 to the extent necessary to do the cleanup. BLM is currently in the process of conducting an Engineering Evaluation and Cost Analysis at NOSR 3. This analysis will address and evaluate a minimum of six different cleanup or removal scenarios at the site, each one having a different cost for removal and cleanup. The final Engineering Evaluation and Cost Analysis is scheduled for completion in March of 2005. The appropriation for the environmental restoration is contingent, however, on the estimate of costs not exceeding the balance of the account at the time a report describing the studies is submitted to the Congress.

- The balance of the NOSR special fund account as of September, 2004, was \$20,495,162. Collections are expected to increase from \$8,603,000 in 2004 to \$15,300,000 in 2005 and \$21,700,000 in 2006. These collections consist of rents and royalties. The projected increase is based on a forecast of a significant increase in the development and production of oil and natural gas in NOSR 1 and NOSR 3.
- National Petroleum Reserve-Alaska - The Minerals Management Service collects all monies from sales; MMS then transfers 100 percent of the collections to the BLM. The BLM is responsible for distributing 50 percent of the collections to the State of Alaska and 50 percent of the collections to the General Fund of the U.S. Treasury.
- Collections from rents from tracts leased in previous sales of \$5,348,662 were reported in 2004. A sale was held in June of 2004 that produced \$53,900,000 in high bids. Evaluation and acceptance of the bids was not completed and collections were not deposited to a Treasury receipt account until November 2005. Those collections, along with rents, are included in the estimate for 2005 of \$62,000,000. Upcoming lease sales are expected in FY05, FY06 and FY08. The bonuses from the 2005 sale are expected to be reported as collections in 2006.

Earnings on Investments - The Southern Nevada Public Land Management Act of 1998 and the Lincoln County Land Act of 2000 allow the investment of the funds held in accounts established by these acts in U.S. government securities. These receipts are invested in special non-marketable U.S. Treasury Securities, including bills, notes, bonds, and one-day certificates, which may be purchased and sold to meet operating needs and legislative requirements. Earnings on investments are expected to increase because of increases in the unobligated balances of the accounts, primarily due to the proceeds of sales of land in southern Nevada.

Sales of Helium - This category of receipts includes "in-kind" crude helium sales to Federal helium suppliers and open market sales. The Helium Privatization Act of 1996 requires the Department of the Interior to offer for sale, beginning no later than 2005, a portion of the Conservation Helium stored underground at the Cliffside Field north of Amarillo, Texas. Sales were \$96,545,000 in 2004. Annual sales are planned for 2005 to 2015. Receipts are projected to decline to \$75,000,000 in 2005 but to increase in 2006 to \$156,800,000 and beyond because of an increase in worldwide helium demand for higher cost sources such as the Federal helium reserve.

Mining Claim-Related Fees - The Department of the Interior and Related Agencies Appropriations Act for 1989 provided that fees established by the Secretary of the Interior for processing actions relating to the administration of the General Mining Laws shall be immediately available to BLM for Mining Law Administration program operations.

Additionally, the *Omnibus Budget Reconciliation Act of 1993* provided that the annual \$100 per claim maintenance fee for unpatented mining claims and sites would continue through 1998. This authority was extended through 2008 in the *2004 Department of the Interior and Related Agencies Appropriations Act*. The law allows a waiver from the fee for those claimants who hold 10 or fewer claims. The Act also established a \$25 per claim location fee for new claims, to be paid at the time of recordation. Funds derived from mining claim maintenance fees are appropriated annually to the BLM for Mining Law Administration program operations. On July 1, 2004 BLM published a rule which increased the maintenance fee to \$125 and the location fee to \$30. .

The 2005 Interior Appropriation Act, Public Law 108-447, affected this rule. In the Conference Report accompanying the Act, Congress stated that the fees established shall be equal to the fees in effect immediately prior to the rule of July 1, 2004 (69 Fed. Reg. 40,294) until the Department of the Interior has established a permit tracking system to determine and address the length of time from submission of a plan of operations to mine on public lands to final approval of such submission. The Act also calls for a report to be filed within one year of enactment with the appropriate House and Senate Committees providing detailed information on the length of time it takes the Department to approve proposed mining plans of operations and recommending steps to reduce current delays. The BLM is working expeditiously to comply with these requirements. If the Department is unable to comply with the Act within the specified time frame, collections from Mining Claims could be less than the estimates for 2005 and 2006 shown in the table.

Service Charges, Deposits, and Forfeitures - These receipts include revenue from providing special program services, such as rights-of-way application processing fees, wild horse and burro adoption fees, fees charged to timber sale purchasers when BLM performs work required by the contract, reimbursement to the government for damage to lands and resources, collections for processing disclaimers of interest applications, and photocopying fees. The collection and retention of each of these receipts are authorized through legislation. The BLM will implement regulations allowing it to increase recovery of costs for processing rights-of-way and energy and minerals documents. Additional information on other collections is included in the Service Charges, Deposits and Forfeitures appropriation section.

Other Collections – Other receipts collected by the BLM are from land rentals for authorized commercial, industrial, and residential purposes; annual rentals from rights-of-way permits (except those issued under the authority of the *Mineral Leasing Act*); and from contributions. These consist of funds contributed to the BLM from non-Federal sources for projects or work authorized by the *Federal Land Policy and Management Act*, *Taylor Grazing Act*, *Sikes Act*, and other laws. Additional information on other collections is included in the Miscellaneous Permanent Payments, Permanent Operating Funds, and Miscellaneous Trust Fund chapters.

2004 PAYMENTS OF BLM RECEIPTS* TO STATES (\$000)

State	Mineral Leases and Permits	Grazing Receipts Within Outside Districts	Grazing Receipts Inside Grazing Districts	Sale of Public Land and Materials	Other ¹	Total
Alaska ²	2,531	0	0	15	0	2,546
Arizona	18	48	77	85	0	228
California	81	14	47	50	0	192
Colorado ³	113	52	26	24	38	253
Idaho	16	180	24	38	0	258
Montana	14	122	101	5	666	908
Nevada ⁴	117	217	3	119	56,377	56,833
New Mexico	381	199	139	63	9	791
N. Dakota	1	0	7	0	0	8
Oklahoma	0	0	0	0	31	31
Oregon	4	138	21	42	111,884	112,089
S. Dakota	0	0	67	1	0	68
Utah	44	91	0	25	0	160
Washington	0	0	21	6	0	27
Wisconsin	0	0	0	1	0	1
Wyoming ⁵	304	141	315	51	10	821
Total	3,624	1,202	848	525	168,984	175,183

*The amounts reported include an appropriation of \$101,270,658 from the General Fund for P.L. 106-393 payments to Oregon counties even though the appropriation is not a collection from a non-Federal source so that the table shows the full amount of the payments.

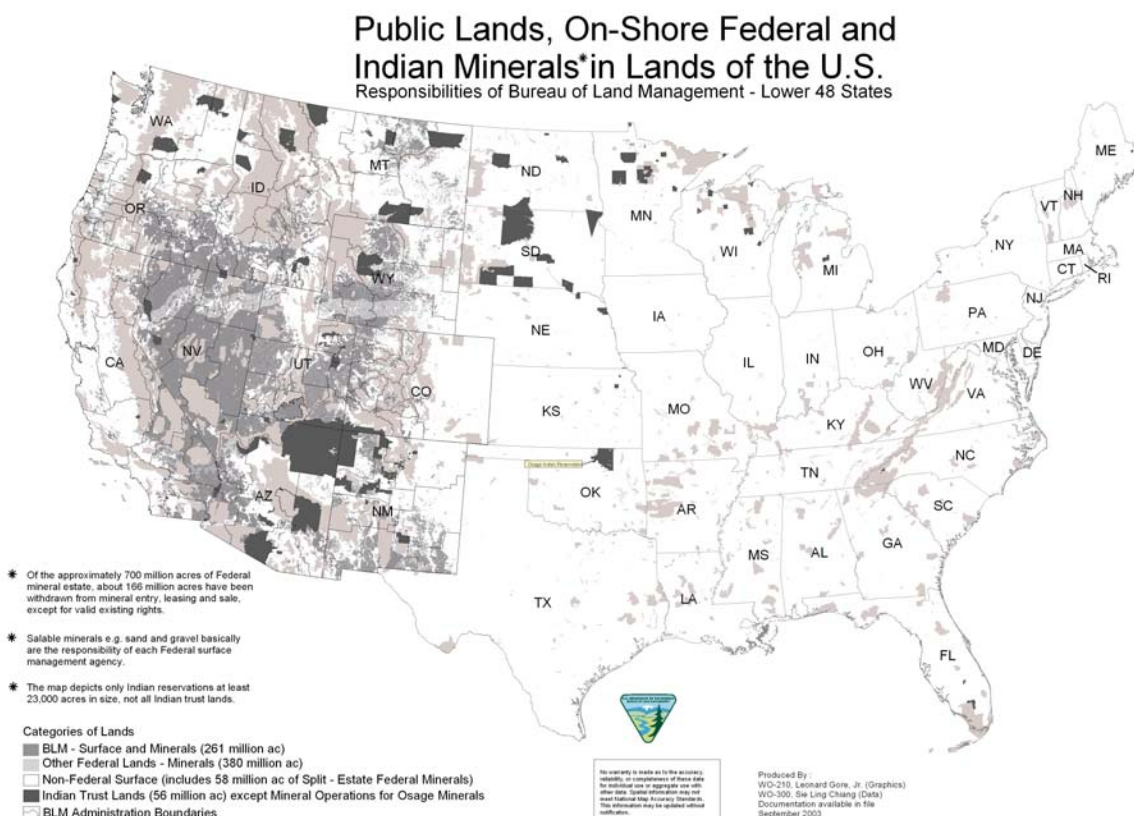
¹Other payments include receipts paid under P.L. 106-393, Secure Rural Schools Self Determination Act. The timing of the payments for both Oregon & California and Coos Bay Wagon Road Grant lands was changed from "on or before September 30" to "as soon as practicable after the end of the fiscal year." Therefore, the payments for 2004 were actually paid in Fiscal Year 2005 and are included in this table. P.L. 106-393 provides that payments come first from BLM receipts produced in those counties, and then General Fund appropriations shall be used to cover any shortfall. The 2004 payment is made up from \$12,068,243 in receipts and \$101,270,658 from the General Fund. The amount excludes \$8,763,453 in funds for Title II projects returned to BLM for county projects.

² Payments to Alaska from NPRA collections are made semi-annually and are paid from a portion of prior year and a portion of current year collections.

³Bankhead-Jones Act, Executive Order 10787, November 6, 1958, from grazing and sale of other resources.

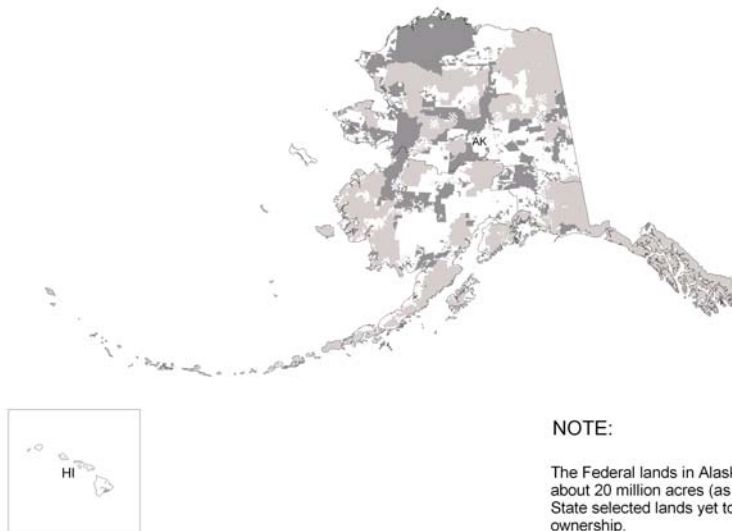
⁴Payments to Clark County, NV, and to the State of NV from land sales under the Burton-Santini Act,

State	Mineral Leases and Permits	Grazing Receipts Within Outside Districts	Grazing Receipts Inside Grazing Districts	Sale of Public Land and Materials	Other ¹	Total
<p>paid in 2004 were \$1,215,300. Payments to the State of Nevada and the Southern Nevada Water Authority under the Southern Nevada Public Land Management Act were \$56,294,902.</p> <p>⁵Bankhead-Jones Act, Executive Order 10787, November 6, 1958, from grazing and sale of other resources. The total includes \$1,817,000 Rights-of-way rents paid to states through the Minerals Management Service. [Columns and rows may not add due to rounding,]</p>						



**Public Lands, On-Shore Federal and
Indian Minerals* in Lands of the U.S.**

Responsibilities of Bureau of Land Management - Alaska



NOTE:

The Federal lands in Alaska shown here include about 20 million acres (as of FY 2000) of Native and State selected lands yet to be conveyed out of Federal ownership.